

# **Public Information Brochure**

## **Community Spouse Overview**



**Arizona Health Care Cost Containment System**

**Policy Information Related to Arizona  
Long Term Care (ALTCS) Eligibility**

## NOTES

# LONG TERM CARE OFFICES

## **Casa Grande**

500 North Florence Street  
Casa Grande, AZ 85222  
(520) 421-1500  
(520) 836-6828 - fax

## **Cottonwood**

One North Main Street  
Cottonwood, AZ 86326  
(928) 634-8101  
(928) 634-8007 – fax

## **Glendale**

2830 West Glendale Ave.  
Suites 8, 19, & 34  
Glendale, AZ 85051  
(602) 417-6000  
(602) 417-6154 – fax

## **Kingman**

519 East Beale Street, Suite 150  
Kingman, AZ 86401  
(928) 753-2828  
(888) 300-8348 – toll free  
(928) 753- 6995 – fax

## **Mesa**

460 North Mesa Drive, Suite 101  
Mesa, AZ 85201  
(602) 417-6400  
(480) 644-0878 – fax

## **Prescott**

1570 Willow Creek Road  
Prescott, AZ 86301  
(928) 778-3968  
(888) 778-5600 – toll free  
(928) 778-1232 – fax

## **Sierra Vista**

484 East Wilcox Drive  
Sierra Vista, AZ 85635  
(520) 459-7050  
(520) 459-0702 – fax

## **Yuma**

3850 West 16<sup>th</sup> Street, Suite B  
Yuma, AZ 85364  
(928) 782-0776  
(928) 782-2894 – fax

## **Chinle**

PO Box 1942  
Chinle, AZ 86503  
(928) 674-5439  
(888) 800-3804 – toll free  
(928) 674-5494 –fax

## **Flagstaff**

3480 East Route 66  
Flagstaff, AZ 86004  
(928) 527-4104  
(800) 540-5042 – toll free  
(928) 527-1686 – fax

## **Globe/Miami**

2250 Highway 60, Suite H  
Miami, AZ 85539-9700  
(928) 425-3165  
(888) 425-3165 –toll free  
(928) 425-7316 – fax

## **Lake Havasu City**

285 S. Lake Havasu Ave., Suite A  
Lake Havasu City, AZ 86403  
(928) 453-5100  
(800) 654-2076 – toll free  
(928) 453-6057 – fax

## **Phoenix South**

700 East Jefferson  
Phoenix, AZ 85034  
(602) 417-6600  
(602) 417-6650 – fax

## **Show Low**

580 E. Old Linden Road, Suite 3  
Show Low, AZ 85901  
(928) 537-1515  
(877) 537-1515 – toll free  
(928) 537-1822 – fax

## **Tucson**

110 South Church Ave, Suite 5132  
Tucson, AZ 85701  
(520) 205-8600  
(800) 824-2656 – toll free  
(520) 205-8709 – fax

This information is provided to you by the Arizona Health Care Cost Containment System (AHCCCS). The topic covered in this brochure is the Community Spouse policy, which is based on the Medicare Catastrophic Coverage Act of 1988. Prior to this law, if one spouse needed nursing care services, the couple had to be “impoverished” before the spouse could qualify for medical assistance.

The Community Spouse policy allows a spouse living in the community to retain a greater share of the couple’s resources and income when the other spouse needs skilled nursing care and applies for help from the Arizona Long Term Care System (ALTCS).

This brochure provides general information about the community spouse policy on resources, income and share of cost, but does not cover specific details. In addition to these policies, an individual must meet the general ALTCS eligibility requirements to be determined eligible.

- The \$101,640 maximum Community Spouse Resource Deduction described in this brochure is effective from January 1, 2007 through December 31, 2007. This figure is updated annually in January.
- The \$20,328 minimum Community Spouse Resource Deduction described in this brochure is effective from January 1, 2007 through December 31, 2007. This figure is updated annually in January.
- The \$1,869 income limit described in this brochure is effective from January 1, 2007 through December 31, 2007. This figure is updated annually in January.
- The \$1,712 Monthly Spousal Need Allowance described in this brochure is effective from July 1, 2007 through June 30, 2008. This figure is updated annually in July.
- The \$514 monthly need for Excess Shelter Allowance is effective from July 1, 2007 through June 30, 2008. This figure is updated annually in July.
- The \$571 Family Allowance described in this brochure is effective from July 1, 2007 through June 30, 2008. This figure is updated annually in July.

The Community Spouse policy applies only to an individual who:

- is legally married to a spouse who resides in the community, (referred to as the “Community Spouse”), and
- has been “institutionalized” on or after September 30, 1989.

## HOW IS “INSTITUTIONALIZED” DEFINED?

For purposes of the Community Spouse policy, “institutionalized” means an individual who:

- has resided in a Medical Institution (hospital, nursing facility, psychiatric hospital, Rehabilitation Center, ICF-MR, hospice, or Arizona State Hospital) for a period of at least 30 days, or
- has received home- and community based services for at least 30 consecutive days and the receipt of these services prevented the individual from being in a nursing facility, or
- is intending to receive home- and community based services and is at risk of having to be institutionalized in a nursing facility as determined by an ALTCS Medical Assessor.

## RESOURCE ELIGIBILITY

Generally, for ALTCS eligibility, the countable resources cannot exceed \$2,000. When Community Spouse policy applies, a certain amount of the couple’s resources does not have to be counted towards this limit for an initial period of twelve months. The amount of resources that can be retained by the spouse residing in the community is called the Community Spouse Resource Deduction (CSRD). Effective January 2007, the minimum CSRD is \$20,328 and the maximum CSRD is \$101,640. Your personal CSRD will be calculated by an ALTCS Eligibility Interviewer when a Resource Assessment is completed.

## HEARINGS AND APPEAL RIGHTS

When there is a decision made on your application or a change in your case, including a change in the share of cost, you may appeal the decision made by the ALTCS office if you feel that the action taken on your case was incorrect. You will receive a notice telling you of the action taken and the date the action becomes effective. Your decision notices will always tell you the time frame you have in which to file a hearing request. On each notice, you will also find details on how you or your spouse can request a hearing.

When you apply for ALTCS and have a Community Spouse, there are additional issues that you or your spouse may appeal: Community Spouse Monthly Income Allowance (CSMIA), the Minimum Monthly Maintenance Needs Allowance (MMMNA), the computation of the spousal share of resources, and the Community Spouse Resource Deduction (CSRD).

In exceptional circumstances a Administrative Law Judge may increase the Minimum Monthly Maintenance Needs Allowance (MMMNA). Also, if there isn’t enough income to meet the MMMNA of the Community Spouse, a Administrative Law Judge may increase the Community Spouse Resource Deduction (CSRD) to allow the Spouse to retain enough resources to generate income to meet the MMMNA.

## WHAT SHOULD YOU DO IF YOU HAVE QUESTIONS?

If you have questions on your particular situation, please contact your ALTCS Local Office for more information. The addresses and phone numbers for these offices are found on the following page.

## SHARE OF COST

Once you have been determined eligible for ALTCS, a calculation will be made to determine how much you must pay for your nursing home care or home services. This calculation starts with the income of the institutionalized spouse. Deductions may be allowed for

- a personal needs allowance,
- a Community Spouse allowance,
- a family allowance for dependents,
- amounts for medical insurance premiums,
- and non-covered medical expenses.

The income of the Community Spouse will not increase the share of cost, except as it reduces the Community Spouse Allowance.

## HOW IS THE COMMUNITY SPOUSE ALLOWANCE CALCULATED?

A Community Spouse is assumed to have a minimum need of \$1,712 (effective 7/1/07) per month. This is called the Monthly Spousal Need (MSN). This amount includes \$514 (effective 7/1/07) per month for shelter expenses (rent, mortgage, property taxes, home insurance, utilities). If shelter expenses are greater than \$514, the excess may be added to the \$1,712 but cannot exceed \$2,541 (effective 1/1/07). From this total, the Community Spouse's own monthly income is subtracted to establish the Community Spouse Monthly Income Allowance (CSMIA).

To receive the deduction of the Community Spouse Monthly Income Allowance, you must actually give your spouse the amount of the deduction.

## WHEN IS THE FAMILY ALLOWANCE DEDUCTED?

If certain dependent family members are living with the Community Spouse, you may also receive a family allowance for each member. The Family Member Allowance can not exceed \$571 (effective 7/1/07) per family member if the member has no income.

## WHEN SHOULD A RESOURCE ASSESSMENT BE REQUESTED?

If you have a Community Spouse and you are applying for ALTCS, a Resource Assessment will automatically be completed as part of your application. However, you do not have to apply for ALTCS to request a Resource Assessment.

You should request a Resource Assessment as soon as one spouse is "institutionalized" because the CSRD must be calculated based on the resources you and your spouse own at that time, regardless of when you apply for ALTCS. If you wait, it may become difficult to provide verification of the value of your resources. Also, a Resource Assessment may provide useful information for your financial planning.

## HOW DO I REQUEST A RESOURCE ASSESSMENT?

Call, write or go to your nearest Arizona Long Term Care System (ALTCS) Office and request a Community Spouse Resource Assessment. The addresses and phone number of these offices are listed at the end of this brochure.

## HOW IS THE CSRD CALCULATED?

1. We compute the value of the countable resources owned by both spouses as of the first month one spouse was "institutionalized".

Countable resources include such things as:

- cash
- checking and savings account balances
- stocks, bonds, certificates of deposit, treasury bills, etc.
- non home property
- non-exempt vehicles

Resources not counted in the calculation include:

- your home property (unless held in a trust)
- one vehicle
- burial plots, irrevocable burial plans or \$1500 in funds designated for burial (for each spouse and immediate family members)
- the value of life insurance policies when the total face value is less than or equal to \$1500
- household goods and personal effects

2. One half of the countable resources owned by both spouses is called the "spousal share".
3. The "spousal share" is compared to the minimum and maximum CSRD amount.
  - If the "spousal share" is less than the minimum CSRD amount (\$20,328 effective January 2007), the minimum CSRD amount will be your CSRD.
  - If the spousal share is more than the maximum CSRD amount (\$101,640 effective January 2007), the maximum CSRD will be your CSRD.
  - If the spousal share is more than the minimum CSRD amount and less than the maximum CSRD amount, the calculated amount will be your CSRD.

## **WHAT DO I NEED TO DO IF MY RESOURCES ARE OVER THE LIMIT?**

If your current resources are greater than the CSRD amount plus \$2,000, you will need to spend down resources until your resources are equal to or less than this amount, and then apply for ALTCS.

Allowable ways to reduce your resources can include payments on medical costs, home repairs, vehicle replacement or the purchase of durable medical equipment. However, giving money away can result in a period of ineligibility for long term care benefits even when resources have been reduced.

You must keep records and receipts to show how the funds were spent when you apply for ALTCS.

### **HOW ARE RESOURCES COMPUTED AT THE TIME OF ALTCS APPLICATION?**

3. The value of the countable resources owned by both spouses as of the application month is computed.
3. The CSRD amount is subtracted.
3. The remaining amount must be less than or equal to the resource limit of \$2,000 for ALTCS eligibility.

### **HOW ARE RESOURCES COMPUTED AFTER ALTCS APPROVAL?**

During the first twelve months of eligibility the resource test is computed the same as at the time of ALTCS application.

After the first twelve months, all resources owned by the "institutionalized" spouse must be less than or equal to the resource limit of \$2,000 for ALTCS eligibility. Therefore, the ownership of countable resources exceeding \$2,000 in value must be transferred to the Community Spouse during the 12 month period.

**WARNING:** Transfer of resources to anyone other than your spouse may cause ineligibility.

## **HOW DO I REQUEST A RESOURCE ASSESSMENT?**

Call, write or go to your nearest Arizona Long Term Care System (ALTCS) Office and request a Community Spouse Resource Assessment. The addresses and phone number of these offices are listed at the end of this brochure.

### **INCOME ELIGIBILITY**

Income eligibility is determined only when an ALTCS application is filed. When Community Spouse Policy applies, income may be calculated in either of two ways:

1. The countable income of both spouses is added together and then divided by two (2). The result is compared to the monthly income limit of \$1,869 (effective January 2007).
2. If half of the couple's income exceeds the limit, only the institutionalized spouse's income is compared to the limit.